

March 22, 2019

Bank of Japan

The Bank of Japan's Budget for Expenses for Fiscal 2019

The Bank of Japan's budget for expenses for fiscal 2019 (the 135th fiscal year) is as follows (Table 1).¹ While securing the necessary budget to perform its role as the central bank of Japan, the Bank has also thoroughly examined each item of expenditure to achieve more streamlined overall spending.

The budget for expenses for fiscal 2019 marked an increase of 4.6 percent from the previous year, of which the amount subject to the approval of the Minister of Finance increased by 1.4 percent. This overall increase was mainly due to changes in the following items: Other general and administrative expenses and costs increased by 2.1 percent, partly due to expenses related to international meetings, and the cost of fixed-asset purchases increased by 49.6 percent, mainly owing to a rise in expenses related to the Bank's premises. On the other hand, expenses for maintenance and repairs decreased by 5.7 percent, mainly due to a decline in maintenance and repair work conducted at the Bank's premises. Year-on-year percentage changes include the effects of the consumption tax hike scheduled to take place in October 2019.

¹ The Bank prepares a budget for expenses every fiscal year. Its budget, excluding the cost of purchasing fixed assets used for the Bank's business operations, is subject to the approval of the Minister of Finance under Article 51, paragraph 1 of the Bank of Japan Act before the beginning of each fiscal year. After obtaining authorization from the Minister of Finance, the Bank implements the budget from the start of the fiscal year. For fiscal 2019, the Bank sought approval on March 22, 2019. All figures, including those in Table 1, are rounded off.

Table 1

Budget for Expenses for Fiscal 2019 (The 135th Fiscal Year)

Item	Initial budget (thous. yen)	Change from the previous year (percent)
Cost of production of banknotes	52,431,340	0.9
Administrative expenses for treasury business and Japanese government securities	17,378,928	0.6
Personnel expenses	53,063,843	0.8
Remuneration of the officers	432,941	0.5
Remuneration of the employees	42,084,931	0.4
Retirement allowances	10,545,971	2.4
Expenses for transportation and communications	4,399,581	0.5
Expenses for transportation	2,218,433	3.9
Expenses for communications	2,181,148	-2.7
Expenses for maintenance and repairs	2,686,132	-5.7
Other general and administrative expenses and costs	54,157,673	2.1
Cost of expendable supplies	1,298,446	1.2
Expenses for electricity and water supply	1,924,561	-2.6
Leasing fees for buildings and equipment	7,068,033	-10.8
Expenses for maintenance of buildings and equipment	10,579,027	3.6
Miscellaneous expenses	33,287,606	5.3
Subtotal	184,117,497	1.1
Cost of fixed-asset purchases	21,265,871	49.6
Of which: Subject to the approval of the Minister of Finance ¹	4,993,890	14.8
Contingency funds	1,000,000	0.0
Total²	206,383,368	4.6
Of which: Subject to the approval of the Minister of Finance ¹	190,111,387	1.4

Notes: 1. Excludes the cost of purchasing fixed assets used for the Bank's business operations.

2. Of the budget for expenses, those related to computerization amounted to 30,479,807 thousand yen, a 0.8 percent decrease from the previous year, and are included in expenses for communications, leasing fees for buildings and equipment, expenses for maintenance of buildings and equipment, and miscellaneous expenses.

Budget estimates of computerization expenses assume required outsourcing of approximately 10,464 person-months (one person-month is the workload equivalent of one person working for one month in system development), and a total of approximately 13,453 person-months when the workload of the Bank's employees is included.